

15 February 2016

EUROFER contribution

to the draft issues paper of the SET-Plan action n°6:

Continue efforts to make EU industry less energy intensive and more competitive

Issues Paper dealing with Energy Efficiency in Industry, proposing strategic targets/priorities.

Do you agree with the targets set in the issue paper?

It should be clarified that the targets and especially examples provided, eg. in Table 3 on page 8 for waste heat recovery “(heat exchanger, storage, distribution, and industrial symbiosis)”, are not taxative but just illustrative. This should be made explicit and can be emphasized by adding an “i.e.”, like for the example in the first line of that table.

Do you think that the level of ambition is correct?

Basically, in steel making energy intensity and CO₂-intensity do not always evolve in parallel and may even be conflicting targets. Thus, the formula on page 6, namely “(energy consumption of BF process)*(CO₂ reduction potential in %)“ may be suitable for the four technologies mentioned in this paper, but its applicability to other technologies would need prior corroboration.

Are there any standing issue(s) in the way to reaching the proposed targets/priorities?

Applying any obligatory energy efficiency targets or energy consumption limits on industrial producers has to be carefully aligned with the achieved results of initiatives like the SET-plan in terms of the economic effectiveness of new technologies. If, in case of not yet demonstrated economic feasibility of technologies, such constrictions were applied and, thus, these legal obligations were the only reason why energy consuming technologies were implemented, there is no positive impact on the competitiveness of such companies. To the contrary, additional burdens would arise, because financial means would be extracted without corresponding cost reductions. Such a situation would also be of no benefit to the technology providers, which in effect have to develop respective technologies and may hope to market them globally. However, if such technologies are not intrinsically economically beneficial, there would also be no global market for them.

What are your specific recommendations on prioritising R&I activities on these issues (and building where appropriate on relevant existing initiatives)?

- On page 4 (paragraph 4) final energy consumption is emphasised: “energy and economic metrics for each sector as a basis for identifying where the R&I is most needed, according to the following criteria (first bullet): Final energy consumption“. At least for the steel industry this is not appropriate, because primary energy consumption for non-energetic energy use and transformation is predominant. Thus it is advisable to provide that not only projects on final energy consumption are covered by the set-plan. Implicitly, this is already provided by making reference to Hlsarna etc later on, but there might be merit in stating this explicitly.
- On page 6 for the steel industry four technologies are mentioned. It could be explicitly stated that these are just non-exclusive examples, which do not exclude other technologies like sensible heat recovery from slag or using chemical/mineralogical reactions for energy storage. The same clarification would be needed for the targets identified.
- In addition (page 5 to 8), a payback period target of 5 years is not ideal, because for industrial cost saving investments a period of 3 years is the standard reference.

Who are the best placed actors to implement the targets/priorities (Industry, EU, Member States, regions, groups of countries/organisations/etc.)?

In addition to the stakeholder mentioned, also the necessity for cooperation between technology providers and technology users have to be taken into account, e.g. with regard to questions of intellectual property rights.